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November 13, 2001

By E-Mail

Gloria Blue, Executive Secretary  
Trade Policy Staff Committee  
Office of the U.S. Trade Representative  
600 17th Street, N.W.  
Washington, D.C. 20508

**PUBLIC DOCUMENT**

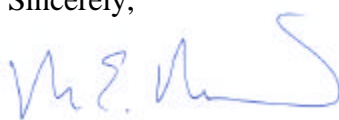
***Re: Steel, Investigation No. TA-201-73; Exclusion Request***

Dear Ms. Blue:

Pursuant to the notice of request for comments published at 66 Fed. Reg. 54321 (Oct. 26, 2001), we hereby submit the enclosed exclusion request for X-70 & Higher Line Pipe Plate on behalf of the parties listed in Appendix 5.

If you have any questions, please do not hesitate to contact us by telephone or by e-mail at montalbine@dhlaw.de.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Kevin Horgan", followed by a vertical line.

J. Kevin Horgan  
Donald E. deKieffer  
Marc E. Montalbine

Attachment

## **Request To Exclude Products From Import Relief Under Section 203**

**Steel, Inv. No. TA-201-73**

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### **X-70 & Higher Line Pipe Plate**

**(a) The designation of the product under a recognized standard or certification (e.g., ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States;**

X-70 & higher plate for line pipe. This product is normally imported under HTS No. 7208.51.0060.

**(b) A description of the product based on physical characteristics (e.g., chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought;**

Flat-rolled products of iron or nonalloy steel, of a width of 600 mm or more, a thickness exceeding 10 mm and meeting the API standards for X-70 & higher line pipe plate.

**(c) The basis for requesting an exclusion;**

U.S. line pipe producers require X-70 & higher plate to manufacture large-diameter pipes for oil and gas pipelines, which must withstand high internal pressures and extreme outside conditions. The exploitation and transportation of oil and gas under severe and dangerous conditions require a highly sophisticated design and careful selection of construction material. The Thermomechanical Control Process ("TMCP") is applied to produce steel plates with the desired yield strength level without excessive addition of alloys that would increase the cost of production and impair weldability. The TMCP procedure includes a multi-stage TM-rolling which produces a special microstructure for high strength, high toughness steels that are used in line pipe projects.

U.S. steel producers make only a small amount of X-70 & higher plate and fall far short of meeting domestic demand for this product. *See* attached **Appendix 1**. Without access to foreign sources of X-70 & higher plate, crucial pipeline projects, such as the Gulf Stream Pipeline Project between Mississippi and Florida, would be placed in jeopardy. *See* attached **Appendix 2**.

**(d) The names and locations of any producers, in the United States and foreign countries, of the product;**

*See attached **Appendix 3.***

**(e) Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for the projection;**

*See attached **Appendix 4.***

**(f) Total U.S. production of the product for each year from 1996 to 2000, if any; and**

*See attached **Appendix 4.***

**(g) The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.**

There are no substitutes for X-70 & higher plate in the production of large-diameter line pipe.

**(h) Parties supporting request.**

A list of the parties supporting this request is attached as **Appendix 5.**

**(i) Contact person.**

For any questions regarding this request, please contact:

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Frank A. Orban III  
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JERALD V. HALVORSEN  
PRESIDENT

July 24, 2001

The Honorable Stephen Koplan  
Chairman  
United States International Trade Commission  
500 E St, SW  
Washington, DC 20436

Dear Chairman Koplan:

I am writing on behalf of the Interstate Natural Gas Association of America (INGAA). INGAA represents natural gas pipelines in the U.S., Canada and Mexico. We urge the Commission, as part of its Section 201 proceeding, to avoid restricting X70 plate for pipe production. Such a restriction could have serious implications for pipeline safety.

Natural gas pipelines using X70 pipe for high internal pressures are designed that way for many reasons, not the least of which is pipeline safety. With such high-grade pipe and associated high internal pressures, the integrity of the product is of extreme importance.

It is common practice to see high toughness requirements on X70 pipe. Established testing procedures help measure the resistance of the pipe material to fracturing, and give information for calculations of the fracture arrest properties of the pipe.

Basic X70 plate material is available from domestic plate producers, but not in sufficient quantities to meet the demands of the industry. Additionally, X70 plate material required for critical applications such as Arctic and other low temperature requirements, heavy wall thicknesses, etc., are not available from domestic suppliers in any quantities. Therefore, it is essential that offshore, or non-U.S. sources of this plate be available to meet future needs, and not restricted.

At this time, when both the Administration and the Congress are focusing on improving pipeline safety, it is imperative that we use the highest quality product available to assure a safe pipeline infrastructure for the future.

Thank you for considering this request and I would be pleased to meet with you to discuss this issue in more detail.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerald V. Halvorsen". The signature is written in a cursive, flowing style.

PROJECT DESCRIPTION

- Benefits
- Timeline
- Landowners
- Environmental Grant
- Project Sponsors



[Project Description](#)  
[Construction Update](#)  
[News & Information](#)  
[Natural Gas for Florida](#)  
[About Pipelines](#)  
[Contact Us](#)

Construction is well underway on the Gulfstream Natural Gas System -- a \$1.6 billion pipeline project designed to deliver environmentally preferred [natural gas](#) to fuel new [electric generation](#) capacity throughout Florida. For a construction update, [click here](#).

The 753-mile pipeline will originate near Pascagoula, Miss., and Mobile, Ala., crossing the Gulf of Mexico with 431 miles of 36-inch diameter steel pipe to Manatee County, Fla. Once onshore, 306 miles of pipe, ranging in diameter from 36 inches to 16 inches, will stretch across south and central Florida, terminating in Palm Beach County. The system also includes 16 miles of gathering pipeline in Mississippi and Alabama.



[click for full map](#)

The \$1.6 billion project will provide Florida with 1.1 billion cubic feet per day of additional natural gas (enough natural gas to provide electricity for 4.5 million Florida homes). It is the first new natural gas transportation system constructed to serve Florida in more than 40 years.

It is our goal to maintain an open dialogue to ensure that the Gulfstream Natural Gas System reflects Florida's needs and interests while following the technical and environmental requirements necessary to supply natural

gas safely and economically.

If you have any questions or suggestions about the project, please don't hesitate to contact us by [clicking here](#).

## **U.S. & Foreign Producers**

### **U.S. Producers:**

**Bethlehem Steel Corporation**  
1170 Eighth Avenue  
Bethlehem, PA 18016  
USA

**United States Steel LLC**  
600 Grant Street  
Pittsburgh, PA 15219-2749  
USA

### **Foreign Producers:**

**AG der Dillinger Hüttenwerke**  
Werkstraße 6  
D-66748 Dillingen  
Germany

**Thyssen Krupp Stahl AG**  
Kaiser Wilhelm-Str. 100  
D-47166 Duisburg  
Germany

**GTS Industries S.A.**  
rue du Comte Jean  
F-59760 Grande-Synthe  
France

**voestalpine Grobblech GmbH**  
Voest-Alpine-Str. 3  
A-4031 Linz  
Austria

**Salzgitter AG Stahl und Technologie**  
Eisenhüttenstraße 99  
D-38239 Salzgitter  
Germany

**U.S. Consumption & Production  
X-70 & Higher Line Pipe Plate**

Item	Quantity (in short tons)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. Consumption	374,000	374,000	374,000	374,000	374,000	374,000	374,000	374,000	374,000	374,000
U.S. Production	139,000	139,000	139,000	139,000	139,000					

Item	Value (U.S. dollars)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. Consumption	179,520,000	179,520,000	179,520,000	179,520,000	179,520,000	179,520,000	179,520,000	179,520,000	179,520,000	179,520,000

U.S. production estimated based upon the 1998 production listed in Staff Report to the Commission on Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan and Korea, Invs. Nos. 701-TA-387-391 & 731-TA-816-821 (Final) at II-13 (Jan. 5, 2000). U.S. consumption values are based upon a price of \$480/short ton.

## **Parties Supporting Exclusion Request**

**Berg Steel Pipe Corp.**

P.O. Box 59209  
Highway 98 at Port of Panama City  
Panama City, FL 32412-0209  
USA

**AG der Dillinger Hüttenwerke**

Werkstraße 6  
D-66748 Dillingen  
Germany

**GTS Industries S.A.**

rue du Comte Jean  
F-59760 Grande-Synthe  
France

**Salzgitter AG Stahl und Technologie**

Eisenhüttenstraße 99  
D-38239 Salzgitter  
Germany

**Thyssen Krupp Stahl AG**

Kaiser Wilhelm-Str. 100  
D-47166 Duisburg  
Germany

**Voest Alpine Grobblech GmbH**

Voest-Alpine-Str. 3  
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